

CENTRAL INTELLIGENCE AGENCY

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1. Bagansiapiapi is on the Rokan Estuary about 230 sea miles southeast of Belawan. It can be reached only by sea. The appearance of the town has changed greatly since pre-war days. The old pier, once the economic hub of the city, is now useless. The sea-bed has risen and a stretch of muddy ground covers an area where water formerly was deep enough to moor lighters of 100 tons or more. A small rivulet runs through this section to the sea. At high tide small boats from 3 to 5 tons can sail up the rivulet from the new jetty, about 1 1/2 kms. inside the downtown section, to the center of town to discharge cargo. The new jetty has neither a crane nor derrick, loading and unloading being done by manual labor. The roads leading to the jetty are unpaved, muddy, and so narrow that two betjahs have difficulty passing one another. Transport of goods to the jetty is handled by manual labor since motor trucks and bullock carts are not available. A coolie averages from \$ 200 to 400 a month. Therefore, the cheapest and most convenient mode of transportation is still by water.
2. At high tide the jetty can berth lighters, small ships, and motor tongkangs. Koninklijke Paketvaart Maatschappij (KPM) coasters or ships lie at anchor 7 miles out to sea. Cargo is put onto lighters and towed by motorboat to the jetty. It is then loaded into small boats and transported up the rivulet to the business section of Bagansiapiapi. Laborers and handcarts are employed to carry the cargo from this point to the Customs house and godown through which all dutiable goods have to pass. This system of transportation increases the expenses incurred by KPM as well as the risk of damage to cargo. In October 1951 Customs was estimated to have received about R 1.5 million in import and export duties.
3. During a 30-day period there are two cycles of high tide and low tide. At high water the rivulet swells sufficiently to enable 4 small boats to sail abreast. High water lasts only 3 hours in the center of town and on the outer roads near the jetty only 4 hours. The maximum amount of work must be accomplished within a short time; after the water recedes it may be several days before anything can be done. When ebb tide sets in, silt is deposited. It is estimated that within 2 years, if something is not done about this, the new jetty will be defunct. Bagansiapiapi then will be isolated and new piers will have to be built further out to sea.

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4. Bagansiapiapi has a population of about 30,000 people, 95 percent of whom are Hokkien Chinese. Of every 100 inhabitants, 70 are fishermen, 20 are connected with the fishing industry, and the remaining 10 are divided among businessmen, workers, and Government officials. Before the war the town ranked as the third largest fishing port in the world. Local civil authorities are under the district head; the Assistant Resident is stationed in Bengkalis. The average clerk in a Chinese shop is paid from \$ 150 to 200 a month; those in more important positions receive from \$ 250 to 350 a month. English-speaking clerks are scarce and it is hard to find one with even a fair knowledge of Dutch. Security conditions in Bagansiapiapi are excellent and there is no curfew.
5. The city is divided into uptown, downtown, and midtown. The central business section is in midtown. Electricity and piped water are available here, though limited respectively to 150 watts per household and two hours' pumping per day. Because the piped water contains sediment its use is confined to washing. Rain water is used for drinking; during the dry season it must be purchased. The streets in Bagansiapiapi are narrow and dirty; motorcars and trucks are not used. Betjaks have only recently been introduced. Houses are constructed of planks and roofed with corrugated iron sheets. They are clustered together so tightly that a whole block at a time may be razed if a fire breaks out. The present acute housing shortage compels the individual to bribe the owner of a house or godown generously to rent empty premises.
6. The population consumes from 280 to 300 tons of rice a month. The salt fish industry uses 1,200 to 1,500 tons of salt each month, imported from Java. About 200 sets of fishing stakes are in the sea around Bagansiapiapi. Numerous fishing boats are fitted with trawling equipment. Despite the size of the fishing industry, the price of fish is high. Good fish is sold at sea to ice boats from Singapore. The ice in Bagansiapiapi is imported from Singapore and sells for \$ 0.80 per kilogram. The cost of living is high and foodstuffs are generally more expensive than in East Sumatra.
7. Other than fishing, Bagansiapiapi has no industries or agricultural production. It depends entirely on imports financed by local exports; thus far, the balance of trade has been favorable. The town is oriented toward Singapore by reason of its trade with that city. Newspapers from Singapore reach Bagansiapiapi sooner than those from other parts of Indonesia. Letters from Medan and Djakarta take two weeks for delivery, the only quick and reliable form of communication being the telegram. Straits currency is accepted as legal tender since Bagansiapiapi is in the Straits dollar area. Only the Government offices stipulate payment in Rupiahs. In November 1951 the exchange rate was Straits dollars 21.50 to R 100.
8. Ninety-five percent of local imports come from Singapore. However, there is no fixed KPM sailing schedule between the two places. The 6 or 7 motor tongkangs coming to port are owned by Singapore Chinese firms. Each has a loading capacity of 100 tons and can sail up to the jetty, thus avoiding the expenses incurred by larger KPM ships. The Ho Hong Steamship Co. in Singapore is putting the HONG THONG, a motor vessel of 100 tons, on a regular run between Singapore and Bagansiapiapi. Damage or loss of cargo carried by Chinese ships is fully compensated for. Many of the imported goods are sent to Tandjungbalai. Although they are never insured, they arrive in perfect order.
9. Rubber from the upper reaches of the Rokan River is sent to Bagansiapiapi for export to Singapore. In October 1951 rubber exports totalling 500 tons brought in 30 percent barter dollars. The current low price of rubber has reduced exports, which average from 1,500 to 2,000 tons monthly during boom times. Prawn-dust, second only to rubber as an export product,

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and dried fish refuse bring in 100 percent barter credit. Both these products are used for fertilizer in Malaya. In October 1951 their export figures ran to 1,500 tons. During the same month 1,206 tons of salt fish and trassie (pounded shrimp paste), valued at R 3.2 million, were sent to Java. Production of dark red trassie, which reached thousands of tons before the war, is now insignificant. The Java market imports only the pure, greyish-colored trassie. Small amounts of copra and areca nuts are exported also.

10. Ten percent of the barter dollars are used for the import of cigarettes, beer, and wine. Luxury articles are plentiful, covering a wide range of goods from bicycles, watches, and radios to high-grade food stuffs and alcoholic beverages. Prices are not controlled because most goods are obtained by barter. Locally, imported goods are purchased directly from the godown, the buyer paying the coolie labor involved in their transport.
11. There are six free list Chinese importers in Bagansiapiapi, but very few free list commodities are imported. Ignorance of the procedure involved in applying for the necessary exchange papers, the handicap of not having agents in Djakarta, local bureaucracy and red tape, and the regulation of Bagansiapiapi's barter trade all hinder the import of free list goods. Some months ago, R.D. Saputra, the Inspector of the Trade Office (Djawatan Perdagangan) from Padang, said he thought it would be better to restrict barter imports and increase the number of free list imports.
12. The following retail commodity prices were registered during October 1951 in Bagansiapiapi:

Rice Rangoon (Lamchiam)	\$ 0.65 per kg.
Rice Siam No. 1	0.85 per kg.
Rice Siam No. 2	0.80 per kg.
Sugar, granulated, white	0.80 per kg.
Coffee seeds WIB	2.00 per kg.
Coffee seeds Robusta Bali	1.70 per kg.
Coffee seeds Arabica	2.10 per kg.
Cocoanut oil	0.60 per bottle
Groundnut oil	0.70 per bottle
Petroleum	0.20 per bottle
Hen's eggs	0.20/0.25 each
Charcoal (arang)	12.00 per 100 kg.
Firewood (mangrove)	6.50 per 100 kg.
Green beans (katjang idjo)	0.60 per kg.
Flour (Australia)	0.60 per kg.
Tapioca flour	0.50 per kg.
Fresh fish (Bawal/Senangin)	3.00/3.50 per kg.
Safety matches	0.05 per box

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Escort cigarettes (20 cig.)	0.50 per packet
Abdullah cigarettes (10 cig.)	0.40 per packet
Players cigarettes (10 cig.)	0.50 per packet
Pall Mall de Luxe (50 cig.)	3.50 per tin
555 State Express (50 cig.)	4.00 per tin
Bread	0.15 per loaf
Orange Crush (aerated water F & N)	0.60 per bottle
Beck's Kuntji Beer	2.00 per bottle
Guinness Stout (Dogshead, Bulldog)	1.20 per bottle
Lux Toilet Soap (Java)	0.25 per piece
Camay Toilet Soap	0.50 per piece
Yardley Toilet Soap	1.20 per piece
White Shirts (Japan)	0.90/1.00 per yard
Grey Shirts (Japan/India)	0.85/0.90 per yard
Tobralco Haircords	2.00 per yard
Salt (Government price)	Rp. 0.70 per kg.

Exchange rate \$ 1 to R 5.

13. Bin Giap and Co. in Bagansiapiapi is a commercial organization composed of 11 large shops, the Tjoan Tien, Kian Guan, Eng Seng, Ing Hwa, Ing Guan, Chin Tek, Kian Lam, Hock Chin Chai, Guan Kie, Lam Dju, and Kiu Seng Sui. This company, established for more than 20 years, has a reputation for integrity. Its manager is TING Ma Seng. The company's working capital is estimated at \$300,000. Bin Giap has distributed British-American Tobacco Co. (BAT) cigarettes to distant outposts along the Rokan River since pre-war days. Because of the losses sustained in the monthly shipment of cigarettes by KPM from Java to Bagansiapiapi, Bin Giap's agent in Tandjungpriok recently arranged for these shipments to be made by a Chinese tongkang. Although the freight charge is higher, losses are negligible. The BAT has given Bin Giap permission to use barter dollars to import British cigarettes from Singapore.

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